

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

MA&UD Dept., - HMWSSB – Augmentation of Financial resources of HMWSSB  
– Levy and transfer of Water Tax from GHMC to HMWSSB – Orders –  
Issued.

-----

**MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (TC.1) DEPARTMENT**

G.O.Ms.No. 461

Dated:16- 07-2009.

Read :

Ref : From the Managing Director, Hyderabad  
Metropolitan Water Supply & Sewerage Board  
Lr.No. HMWSSB/MD/GHMC/PropertyTax/2009,  
Dated 10-07-09.

\*\*\*\*\*

**ORDER :**

In the reference read above, the Managing Director, Hyderabad Metropolitan Water Supply and Sewerage Board (herein after called Water Board) Hyderabad has stated that as per Municipal Laws and Constitution 74<sup>th</sup> Amendment Act, 1992 ULBs are responsible for provision and maintenance of water supply. All ULBs in the State, except Greater Hyderabad Municipal Corporation are providing water supply accordingly.

2. The Managing Director, Water Board, has stated that the Water Board is supplying 334 MGD of water per day to a population of 75 lakhs in Hyderabad Metropolitan Area covering Greater Hyderabad Municipal Corporation area, Sangareddy, Vikarabad, Bhongir, Sadasivpet Municipalities and many gram panchayats. The Water Board also provided sewerage treatment facilities in the Metropolitan areas.

3. The Managing Director, Water Board has further stated that the income of the Water Board is not sufficient to meet its expenditure, leaving it with a regular monitoring deficit. Moreover, in view of huge power charges and interest and principal payments on borrowings the Water Board is constrained to divert the capital receipts from the Government of India and State Government, seriously affecting the progress of capital works. He has stated that in the review meeting held on 03.07.2009 conducted by the Hon'ble Chief Minister, directed the Water Board to study the financial management pattern followed in other Mega Cities with separate Water Boards and put up proposals for sharing of income from Greater Hyderabad Municipal Corporation and Hyderabad Metropolitan Development Authority for Hyderabad Metropolitan Water Supply and Sewerage Board within one week.

4. In pursuance of the above, the Managing Director, Water Board has examined the statutory position in GHMC Act. 1955 and the system prevalent in Chennai City. He has informed that, as per section 199 of the Greater Hyderabad Municipal Corporation Act, 1955 the Corporation shall levy property tax on all buildings and lands on their annual rental value. Property tax is intended to defray the cost of providing urban services namely water supply, drainage, conservancy and lighting in addition to other services.

(p.t.o.)

//2//

5. He has stated that as per section 199 of the Greater Hyderabad Municipal Corporation Act 1955, the property tax shall consists of the following components, namely:

- a) a general tax
- b) a water tax
- c) a drainage tax
- d) a lighting tax
- e) a conservancy tax

6. He has further stated that the Greater Hyderabad Municipal Corporation is levying property tax on annual rental value in respect of residential buildings above Rs. 3600/- Annual Rental Value and non-residential buildings at the following rates w.e.f. 01.04.1974 :

i) General Tax	15%
ii) Conservancy Tax	9%
iii) Lighting Tax	3%
iv) Drainage Tax	3%
	-----
<b>Total</b>	<b>30%</b>
	-----

In respect of residential buildings with Annual Rental Value of Rs. 3600/- and below, property tax is levied at a rate ranging from 17% to 22% of Annual Rental Value of buildings and lands and the Greater Hyderabad Municipal Corporation has realized an amount of Rs. 380.00 crores from property tax during the year 2008 – 09.

7. The Managing Director, Hyderabad Metropolitan Water Supply and Sewerage Board, Hyderabad has therefore requested the Government to issue necessary orders directing the Greater Hyderabad Municipal Corporation to levy water tax as a component in property tax at 7.5% of ARV and transfer it to Hyderabad Metropolitan Water Supply and Sewerage Board.

8. Government has examined the matter and decided to accept the above proposal of Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board.

9. Now, therefore, in exercise of the powers conferred by Section 679-E of GHMC Act 1955, the Government, hereby direct the Commissioner & Special Officer, Greater Hyderabad Municipal Corporation, Hyderabad to take action as follows:

- (i) To levy various components of property tax at 30% of Annual Rental Value in respect of residential buildings above Rs.3,600/- ARV and non-residential buildings duly providing for levy of water tax at 7.5% of Annual Rental Value on buildings and lands to take effect from 01.04.09 and proportionately reduce rate of general tax, conservancy tax, lighting tax and drainage tax at a total of 22.5%,. so as to limit the rate of property tax to 30% of Annual Rental Value of buildings and lands and further to levy various

Contd...

//3//

components of property tax ranging from 17% to 22% of Annual Rental Value in respect of residential buildings, with Annual Rental Value of Rs. 3,600/- and below duly providing for levy water tax of 7.5% of Annual Rental Value on buildings and land and proportionately reduce the other components of property tax. This modification in the rates of property tax will not lead to increase in the present property tax paid by the ratepayers in Greater Hyderabad Municipal Corporation as the total rate of property tax will not be increased.

- (ii) To transfer collection of water Tax (a component of property tax) once in a month to Hyderabad Metropolitan Water Supply and Sewerage Board by 10<sup>th</sup> of the succeeding month for maintenance of water supply and operate it through Escrow Account to be opened for this purpose.

10. The Commissioner & Special Officer, Greater Hyderabad Municipal Corporation, Hyderabad shall take necessary further action accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**PUSHPA SUBRAHMANYAM  
SECRETARY TO GOVERNMENT**

To  
The Commissioner & Special Officer, Greater Hyderabad Municipal Corporation.  
Hyderabad.

**Copy to:**

The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad.

The P.S.to Secretary to C.M

The P.S. to Minister (MA)

The P.S. to Principal Secretary, M.A. & U.D. Dept.

The P.S to Secretary, M.A. & U.D. Deptt.

The Law Department.

The MA & UD (W) Dept.,

Sf/Sc.

//Forwarded: By Order//

**SECTION OFFICER.**